



Speech by

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**Australia and ASEAN: 35 Years On**

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## **Introduction**

Excellencies. Ladies and gentlemen.

Thank you, Ambassador Severino, for your kind introduction.

I've travelled many times to Singapore in recent years, including to attend ASEAN and East Asian Summit meetings during Singapore's very successful year as ASEAN Chair in 2008.

It's always a great pleasure to be here.

Today I'm honoured to be here at the Institute of South East Asian Studies addressing this distinguished audience.

## **Australia and Singapore**

Australia values very highly our cooperation with Singapore - both bilaterally and in relation to ASEAN and the East Asia Summit.

Our bilateral relationship is one of Australia's closest and most comprehensive in the region.

It is underpinned by close defence and security ties and strong economic and people to people links.

Singapore is Australia's largest trade and investment partner in ASEAN and our fourth largest trading partner overall.

Prime Minister Kevin Rudd has already visited Singapore four times now, including to give the keynote address at the Shangri-La Dialogue last year.

In that speech, the Prime Minister described Singapore as a "critical player" and "strong force for stability and effective diplomacy in our region."

He also spoke of Singapore's roles as "a major centre of regional and world trade, a global transportation hub and an international financial centre."

Mr Rudd's regular visits and his meetings with Prime Minister Lee - as well as other high-level contacts - are testimony to Australia's very close ties with Singapore.

And I look forward to continuing to deepen that engagement in my role as Australia's first Ambassador to ASEAN.

In 2008, when Foreign Minister Stephen Smith announced my appointment, he said it underscored "the critical importance the Australian Government places on its relationship with ASEAN."

I couldn't agree more.

But it is important to recognise that Australia's relationship with ASEAN is long standing, dating back to 1974, when Australia became ASEAN's first dialogue partner.

Prime Minister Gough Whitlam said in 1974 that Australia was "seen as a steadfast...partner – a true participant – in the destiny of South East Asia."

More than 35 years on, I strongly believe Australia and ASEAN are fast becoming partners and participants in each other's destinies.

Today I would like to elaborate on that theme.

I'll start by setting out Australia's fast-evolving ties with ASEAN, looking back at what we've achieved thus far and the direction of our agenda in the coming years, including the future our regional architecture.

With the time remaining I would welcome your views and questions on these issues.

## **Australia and ASEAN**

We in Australia have long understood the importance of ASEAN.

It was established in 1967 with a clear set of objectives – including accelerating economic growth and social progress; promoting regional peace and stability, and fostering collaboration and mutual assistance.

ASEAN has been successful on all counts.

ASEAN today is our region's great success story.

It is an outstanding example of the notion of interdependence – that the destiny of a nation is shaped by the nations around it.

ASEAN shows us that by building a strong community of nations, all of its members reap greater rewards than they could by working alone.

ASEAN has transformed South East Asia from a region of strategic conflict into one of remarkable cooperation and consensus.

In that way, ASEAN has made a singularly important contribution to the political and economic development and security of our region.

And as Australia's Prime Minister Kevin Rudd pointed out at the 2009 Shangri La Dialogue, ASEAN "has also allowed the influence of South East Asia to be felt in the region and beyond."

Since 1974, Australia-ASEAN ties have grown remarkably in both breadth and depth, now span our respective trade, political and security agendas.

Importantly, we work closely together in a wide range of multilateral fora, including APEC and the WTO.

Australia and ASEAN both have a great deal to gain from bringing the Doha Round to a successful conclusion.

We recognise a deal on the Doha Round would deliver an unprecedented economic stimulus - by breaking down barriers to trade and by creating a new platform for future regional and bilateral trade deals.

Back in 1974, the focus of our partnership was on economic ties and development cooperation, which benefited both Australia and ASEAN.

Two-way merchandise trade has grown from a modest \$852 million in 1974 to \$59 billion in 2009.

Total trade for the last financial year – including goods and services – is even more impressive, valued at \$83 billion.

To put that in perspective, Australia's trade with ASEAN is now roughly on par with our trade with China - our largest trading relationship – and ASEAN now accounts for 15 per cent of Australia's trade.

Clearly, our economies are highly complementary.

And I'm very optimistic about the prospects for further growth in our trade and investment relationship in the coming decades.

One reason is that, like Australia, ASEAN economies have weathered the storm of the Global Economic Crisis better than most other parts of the world.

We're therefore now in a position to make the most of the opportunities that flow from a recovering global economy.

I'm also optimistic because the ASEAN-Australia-New Zealand Free Trade Agreement, AANZFTA, came into force earlier this year.

Covering over 610 million people and a combined GDP of A\$3.19 trillion, AANZFTA is the largest FTA Australia has entered into.

It is also the most comprehensive FTA that ASEAN has signed, eliminating tariffs on 90-100% of tariff lines for all but the three least developed parties to the FTA.

Ours is a landmark agreement.

It covers not only goods, services and investment, but also intellectual property, electronic commerce, competition policy, and the temporary entry of business people.

AANZFTA is Australia's first FTA to include an economic cooperation chapter. Australia will contribute up to \$20 million towards activities that will enhance ASEAN's capacity to implement the Agreement.

As a regional FTA, AANZFTA will support the greater use of supply chains, which should enhance production efficiency in the region and make the region more attractive as a destination for investment.

The FTA also supports economic integration by encouraging a stronger alignment between the economic regulatory practices of the FTA partners.

AANZFTA includes many best practice benchmarks. For example, it provides for enhanced transparency in trade and investment measures.

Similar best practice benchmarks are being included in ASEAN's own agreements, such as the ASEAN Trade in Goods Agreement and its Investment Agreement.

Importantly, all of ASEAN's East Asia Summit dialogue partners have now concluded FTAs with ASEAN.

This raises an intriguing point – that the next logical step would be to bring these agreements together, connecting all 16 countries of the EAS through free trade.

That is why, at a broader regional level, Australia has strongly supported work on the proposal for a Comprehensive Economic Partnership in East Asia, or CEPEA.

The CEPEA proposal includes economic cooperation, facilitation and liberalisation that could ultimately lead towards an East Asia Summit (EAS)-wide FTA.

Genuine trade liberalisation across the broad membership of the EAS is a long-term prospect.

But achieving that would not only benefit all member countries, it would help secure an even brighter economic future for our region.

## **Development Cooperation**

Just as the Australia-ASEAN economic relationship has grown, so too has our cooperation in other fields.

Over 35 years, the ASEAN-Australia Development Cooperation Program (AADCP) has evolved to reflect our policy priorities and the growing sophistication of our economies.

In the 1970s this program was focused on Australia providing technical assistance to ASEAN, primarily in research and development in food-related areas.

In the early 1980s, the emphasis shifted to access to the Australian market for ASEAN exports of manufactured goods.

By the early 1990s, we had agreed to focus our development cooperation on new areas such as education, the environment, telecommunications, science and technology.

Then in August 2007, we signed the ASEAN-Australia Comprehensive Partnership, and adopted a Plan of Action which identified a much broader agenda, including political and security, economic, socio-cultural and development cooperation.

One vital element of this partnership is Australia's pledge to provide \$57 million over seven years to help ASEAN realise its goal of creating an economic community by 2015.

We look forward to refining our development agenda further – in the spirit of a genuine partnership - in the years ahead.

### **People to people links**

Deep and growing people-to-people links are one of the great strengths of our partnership.

Through the experiences of tourism, sporting events, cultural and academic exchanges and even migration, lasting friendships are forged and lives enriched.

Indeed, it is largely through these links that Australia and ASEAN countries really participate in and contribute to each other's social, cultural, scientific and economic development.

ASEAN countries have long been a source of migrants to Australia. The 2006 Australian census recorded nearly half a million people from the ASEAN region living in Australia.

Tourism is also very important, but education is arguably even more so.

Prime Minister Rudd has set Australia the challenge of making itself “the most Asia-literate country in the collective West.”

To achieve that aim, we are fostering a comprehensive Asian education program in our schools under which three-quarters of a million Australian students are studying the principal languages of Asia.

Moreover, many ASEAN country nationals have studied or are studying in Australia.

Reflecting the longstanding nature of our education relationship, some of our current students are the children, and even grandchildren, of the early South East Asian alumni of Australian universities.

In 2009 Australian educational institutions received 106,000 enrolments for students from ASEAN countries.

Academic links between Australian and ASEAN continue to strengthen, with many Australian universities setting up offshore campuses in the region.

I should also mention that last November Prime Minister Rudd announced the first phase of a new scholarship initiative – “the Australia Asia Awards.”

The aim is to give new strategic coherence to our two major scholarship programs, by looking at how we can consolidate, better promote and better deliver the 2-300 international scholarships that Australia offers each year globally.

Naturally, we are focusing on how the program can deliver the best, longstanding results in our own region, and the first scholars under the Australia Asia Awards program are just now taking up their places at universities across Australia.

These Australia Asia Awards will include scholarships for high-achieving individuals across Asia to study in Australia, and for Australians to study in Asia.

The Prime Minister has described these awards as the “Colombo Plan of the 21<sup>st</sup> Century.”

And just as the Colombo Plan delivered Australian education to the region a generation ago, the Australia Asia Awards initiative will focus Australia's contemporary scholarship programs – worth \$200 million annually – on building new partnerships between our best students and their universities, and enduring ties between Australia and the region.

This will enable Australia to showcase to the region its cutting-edge capabilities in the education sector, which already includes eight of the world's top 100 universities.

## **Security Cooperation**

Security cooperation is a key element of our partnership at a government-to-government level.

Australia and ASEAN share a long-standing desire for peace and economic development.

As a regional community, it is in our interests to work together towards shared goals, for the benefit of all our peoples.

I think we can all agree that in the 21<sup>st</sup> Century, the world's centre of strategic and economic gravity is moving towards the Asia-Pacific region.

The Global Economic Crisis seems to have accelerated that shift, which has important implications for our regional agenda.

Australia has long contributed – and continues to contribute – to regional security and stability through its extensive defence and security arrangements with ASEAN members.

We have defence relationships with all South East Asian countries except Burma.

Under the Five Power Defence arrangements, Australia, together with the United Kingdom and New Zealand, conduct a range of cooperative activities with Singapore and Malaysia.

We work closely on other global security challenges as well.

The ASEAN-Australia Joint Declaration for Cooperation to Combat International Terrorism was signed in July 2004.

Australia has also signed bilateral counter-terrorism memoranda of understanding with Malaysia, Brunei, Cambodia, Indonesia and Thailand.

Australia is a strong supporter of the Jakarta Centre for Law Enforcement Cooperation – an internationally recognised centre of excellence which provides development and training opportunities to law enforcement officials.

These agreements and arrangements underpin effective intra-regional cooperation at a practical operational level in the fight against terrorism and transnational crime.

Australia also cooperates closely with ASEAN countries on people smuggling issues. We do so because we are all facing similar challenges.

Along with Indonesia, Australia co-chairs the Bali Process, which brings participants together – including all 10 members of ASEAN - to work on practical measures to help combat people smuggling, trafficking in persons and related transnational crimes in the Asia-Pacific region and beyond.

Australia is also a co-sponsor of the Regional Interfaith Dialogue, together with Indonesia, the Philippines and New Zealand.

The Dialogue was launched in 2004 with the broad objective of fostering greater understanding, respect and cooperation between the diverse faith communities in our region.

It continues to provide an important platform for mainstream religious voices to be heard and for their messages of tolerance to be reinforced.

Australia and ASEAN have a common interest in advancing the nuclear non-proliferation and disarmament agenda.

The independent International Commission on Nuclear Non-proliferation and Disarmament, a joint Australian and Japanese initiative, aims to reinvigorate international efforts in the leadup to the 2010 NPT Review Conference and beyond.

Most of the 188 member states of Nuclear Non-Proliferation Treaty (NPT), including all ASEAN countries and Australia, will meet in New York in May to review the Treaty.

Australia aims for the NPT Review Conference to reaffirm the Treaty's global security benefits and to make practical progress under all three of the Treaty's 'pillars' – disarmament, non-proliferation and peaceful uses of nuclear energy.

Australia, Singapore and a number of other regional countries have been invited to take part in President Obama's International Nuclear Security Summit in April, and we'll be working together to ensure that meeting is a success.

In company with its Proliferation Security Initiative partners, Australia continues to work to expand support for the Initiative in the Asia-Pacific region.

Australia also actively encourages and assists regional countries to adopt export control measures that will ensure their exports are not contributing to, or being diverted to, WMD and missile programs of concern.

Capacity-building in the areas of nuclear safeguards, security and safety is another focus of our regional outreach.

Australia, for example, has played an instrumental role in the establishment of the Asia-Pacific Safeguards Network, which promotes best safeguards practice through enhanced cooperation, training and professional development among safeguards authorities in our region.

We have greatly appreciated Singapore's support in progressing this Network, whose membership includes most of the ASEAN countries. Indonesia will host the Network's first meeting in Bali in June.

Beyond security, Australian and ASEAN are cooperating on other critical 21<sup>st</sup> Century challenges as well, including climate change.

Australia would have preferred a stronger agreement, but the Copenhagen Accord provides a good starting point from which to pursue ambitious global action on climate change.

For the first time, developed and developing countries agreed to take responsibility for action that will keep any global temperature increase to below 2 degrees Celsius.

Australia supports bringing the Accord into effect, and has formally notified the UN Framework Convention on Climate Change of our support.

As a key regional partner, Australia looks forward to working with ASEAN to build momentum towards a positive outcome at COP16 later this year.

## **Regional Architecture**

Australia has also historically played a strong role in regional architecture, including ASEAN-based institutions.

As I mentioned earlier, Australia became ASEAN's first dialogue partner in 1974.

Australia was a founding member of the ASEAN Regional Forum in 1994, which brings together military and civilian representatives from 27 member countries to enhance cooperation on regional security issues, including non-traditional issues such as disaster management.

Australia has also been an active participant in the East Asia Summit (EAS).

We attach great importance to it because it is a leaders' led forum.

Australia participated as a founding member in the inaugural EAS held in Kuala Lumpur in December 2005.

Since that auspicious beginning, the EAS has played an increasingly prominent role in advancing closer regional integration and cooperation.

The Fourth EAS in Hua Hin produced a number of important outcomes, including agreement to an EAS Finance Ministers Meeting, progress on the CEPEA proposal and strengthened disaster response cooperation.

Australia is now keen to work closely with ASEAN to ensure that those outcomes are implemented.

In order to keep the momentum going, we are also keen to contribute to an ambitious, forward-looking agenda for the Fifth EAS in Hanoi in October.

In June 2008, Prime Minister Rudd proposed that the countries of the Asia Pacific begin a regional discussion about regional architecture to meet future needs.

He appointed a special envoy, former Secretary of the Department of Foreign Affairs, Richard Woolcott, to visit capitals and explore the interests, needs and concerns of regional leaders and senior officials.

Our region has been well served to date by the institutions we have all created in the past:

- starting with the great work of ASEAN
- through APEC, the ARF and the East Asia Summit

Each of these institutions has evolved to meet changing needs.

But the fact is that 35 years after the end of war in Indo-China, 30 years after the start of China's reform policies and 20 years since the end of the Cold War, our region is still without a regional institution with wide membership and a broad mandate.

India is not part of APEC. The United States is not a member of the East Asia Summit.

The region faces a range of 21<sup>st</sup> century challenges – from climate change to trade and economic liberalisation, security cooperation and natural disaster management.

Given our common interests, given our growing inter-dependencies, and given the region's dynamism, it makes sense to cooperate to address these challenges, preferably in a single forum.

Prime Minister Rudd has suggested that this could be achieved through the formation of an Asia Pacific community (APc) which would seek to build on structures already in place and foster a sense of community with habits and patterns of cooperation.

His vision is that the Asia-Pacific should shape its future, and not be captive to the vicissitudes of change.

Prime Minister Rudd has sought to pursue this initiative through a regional conversation, started by his Special Envoy.

Australia continued this regional conversation by hosting a conference in Sydney in December 2009, involving more than 140 senior academics, commentators and government officials from around the region.

The Prime Minister noted in his speech to the conference that (and I quote): *“ASEAN, given its positive history and its contribution for the future, should be very much at the core of any future Asia Pacific community”*.

The Australian Government will work closely with ASEAN countries and others in taking this initiative forward.

And I am very interested in your views on regional architecture, and how we can ensure that it best serves the region's needs.

## **Conclusion**

Allow me to conclude by returning to the main theme of this speech – that we are partners and participants in each other's destinies.

Australia and ASEAN have accomplished a great deal in the first 35 years of our relationship.

We should be proud of our achievements, but we can't afford to rest on our laurels.

In my view, the challenges and opportunities of the 21<sup>st</sup> century require fresh thinking about foreign policies and regional institutions.

That is why this Institute's work is so important.

As partners and participants, it is up to us to embrace our shared future and – with vision, courage and leadership – take the Australia-ASEAN relationship to a new level.

Thank you.